# Caribbean Community

## EDICT OF GOVERNMENT

In order to promote public education and public safety, equal justice for all, a better informed citizenry, the rule of law, world trade and world peace, this legal document is hereby made available on a noncommercial basis, as it is the right of all humans to know and speak the laws that govern them.

CRS 14 (2010) (English): Good Management Practices for MSMEs

BLANK PAGE

PROTECTED BY COPYRIGHT

# CARICOM REGIONAL STANDARD

## Requirements for good management practices for micro, small and medium enterprises

**CRS 14: 2010**

Caribbean Community

**CARICOM Regional Organisation for Standards and Quality (CROSQ)**
2nd Floor Nicholas House
29 & 30 Broad Street
Bridgetown, St Michael
Barbados
T: 246.622.7670 | F: 246.622.7678
Website: http://www.crosq.org

**© CROSQ 2010 – All rights reserved**
Unless otherwise specified, no part of this publication may be reproduced or utilized in any form or by any means, electronic or mechanical, including photocopying and microfilm, without permission.

# CARICOM REGIONAL STANDARD

## Requirements for good management practices for micro, small and medium enterprises

**CRS 14: 2010**

**CARICOM Regional Organisation for Standards and Quality (CROSQ)**
2nd Floor, Nicholas House
29 & 30 Broad Street
Bridgetown, St. Michael
Barbados
T: 246.622.7670 | F: 246.622.7678
Website: http://www.crosq.org

**© CROSQ 2010 – All rights reserved. No part of this publication is to be reproduced without the prior written consent of CROSQ.**

ISBN 978-976-95187-6-6
ICS 03.120.10

**AMENDMENTS ISSUED SINCE PUBLICATION**

| AMENDMENT NO. | DATE OF ISSUE | TYPE OF AMENDMENT | NO. OF TEXT AFFECTED | TEXT OF AMENDMENT |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

## ATTACHMENT PAGE FOR CRS AMENDMENT SHEETS

## Committee representation

This CARICOM Regional Standard was prepared under the supervision of the Regional Technical Committee for Conformity Assessment (RTC 2), (hosted by the CARICOM Member State, Guyana), which at the time comprised the following members:

| Members | Representing |
|---|---|
| Mr. Anthony Ross **(Chairperson)** | Guyana Manufacturers and Services Association |
| Ms. Sharon Alexander | Small Business Bureau, Ministry of Tourism Industry and Commerce |
| Mr. Marlan Cole | Food and Drug Analyst Department |
| Ms. Ramrattie Karan | Guyana National Bureau of Standards |
| Ms. Indira Mattai | Environmental Protection Agency |
| Ms. Judy Semple-Joseph | Empretec Guyana |
| Ms. Karen Vansluytman | Ministry of Labour, Human Services and Social Security |
| Mr. Patrick Zepher | Guyana Small Business Association |
| Mr. Elton Patram **(Technical Secretary)** | Guyana National Bureau of Standards |

# Contents

Foreword ..... 1
1 Scope ..... 2
2 Normative references ..... 2
3 Terms and definitions ..... 2
4 Requirements ..... 4
4.1 General ..... 4
4.2 Policy and objectives ..... 4
4.2.1 General ..... 4
4.2.2 Policy ..... 5
4.2.3 Objectives ..... 5
4.3 Planning and process control ..... 5
4.3.1 General ..... 5
4.3.2 Work environment ..... 5
4.3.3 Environmental management ..... 5
4.4 Implementation ..... 6
4.4.1 Structure and responsibilities ..... 6
4.4.2 Documentation ..... 6
4.4.3 Competence, awareness and training ..... 7
4.5 Measurement, analysis and improvement ..... 7
4.5.1 General ..... 7
4.5.2 Customer satisfaction ..... 7
4.5.3 Internal audits ..... 7
4.5.4 Control of non-conforming products ..... 7
4.5.5 Corrective actions ..... 7
4.5.6 Preventive action ..... 8
4.6 Management review ..... 8
4.6.1 General ..... 8
4.6.2 Review input ..... 8
4.6.3 Review output ..... 9
4.7 Continual improvement ..... 9
Annex A (informative) Example of a policy ..... 10
Annex B (informative) Acts and regulations ..... 11
Annex C (informative) Example of a procedure ..... 12
Annex D (informative) Training matrix sample ..... 14

**List of tables**

Table D.1 — Training needs for year (-----) ..... 14

**(This page was intentionally left blank)**

## Foreword

This CARICOM Regional Standard was developed in 2008 as part of the CROSQ/IDB-MIF Promoting Small and Medium-sized Enterprises Competitiveness through Technical Standards project.

This regional standard was developed to assist micro, small and medium-sized enterprises in the implementation of an integrated management system covering environmental, quality and also an occupational safety and health management system.

It is intended that by conforming to the requirements of this standard, micro, small and medium-sized enterprises would be more efficient and competitive in regional and international markets.

This standard was approved at the Twenty-Ninth Meeting of the Council for Trade and Economic Development (COTED) on 8-9 February 2010.

In the development of this standard, assistance was derived from the following:

a) International Organization for Standardization, ISO 9001:2008, Quality management systems requirements;

b) International Organization for Standardization, ISO 14001:2004, Environmental management systems – requirements with guidance for use.

## 1 Scope

This regional standard specifies requirements for a management system where a micro, small, and medium-sized enterprise:

a) needs to demonstrate its ability to consistently meet applicable requirements for quality, environmental and occupational safety and health; and

b) aims to enhance its performance, through the process of continual improvement, assurance of conformity to applicable quality, environmental and occupational safety and health requirements, and the prevention of non-conformity by the application of this system.

## 2 Normative references

The following referenced documents are indispensable for the application of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

*International Organization for Standardization, ISO 9001:2008, Quality management systems requirements*

*International Organization for Standardization, ISO 14001:2004, Environmental management systems – requirements with guidance for use*

## 3 Terms and definitions

For the purposes of this standard, the following terms and definitions shall apply.

**3.1**
**audit**
systematic, independent and documented process for obtaining evidence and objectively evaluating to determine the extent of conformity

**3.2**
**conformity**
fulfillment of requirement

**3.3**
**customer**
organisation or person that receives a product

**3.4**
**document**
information and its support medium

**3.5**
**environment**
surrounding in which an enterprise operates, including air, water, land, natural resources, flora, fauna, humans and their interrelation

**3.6**
**environmental management**
systematic approach that includes planning activities, responsibilities, practices, procedures, processes and resources for ensuring the environmental policy is achieved

**3.7**
**environmental requirement**
need or expectation that is stated, customarily implied or obligatory in relation to the environment

**3.8**
**enterprise**
person or persons including a body corporate or incorporate

**3.9**
**manual**
document describing all components and interrelations of management systems of enterprises

**3.10**
**micro, small and medium-sized enterprise**
**MSME**
any enterprise not charitable or political carrying out business in the Caribbean Community for gain or profit and satisfying the criteria listed below:

**3.10.1**
**medium-sized enterprise**
a) 25 to 50 employees or 371.612 $m^2$ to 557.418 $m^2$ of manufacturing area; and

b) US$ 50,000 to US$ 200,000 investment in equipment or US$ 125,000 to US$ 750,000 annual sales

NOTE 1 Where these definitions are not consistent with the national legislation, the legislation shall take precedence.

NOTE 2 1 $m^2$ is equivalent to 10.763 $ft^2$

**3.10.2**
**micro-sized enterprise**
owner managed with less than 5 employees and less than US$ 25,000 investment in equipment

**3.10.3**
**small-sized enterprise**
a) less than 25 employees or less than 371.612 $m^2$ of manufacturing area; and

b) less than US$ 50,000 investment in equipment or less than US$ 125,000 annual sales

NOTE 1 $m^2$ is equivalent to 10.763 $ft^2$

**3.11**
**non-conformity**
non-fulfillment of a requirement

**3.12**
**occupational safety and health requirement**
occupational safety and health need or expectation that is stated, customarily implied or obligatory

**3.13**
**policy**
statement of intentions and principles which provides a framework for actions and setting of objectives

**3.14**
**procedure**
specified way to carry out an activity or a process

NOTE Not all procedures are required to be documented unless otherwise stated.

**3.15**
**process**
set of interrelated or interacting activities, which transform inputs into outputs

**3.16**
**product**
good or service resulting from a process

**3.17**
**quality**
ability of a set of inherent characteristics of a product, system or process to fulfill the requirements of customers and other interested parties

**3.18**
**record**
document stating results achieved or providing evidence of activities performed

**3.19**
**stakeholder**
any party interested in the business of the small and medium sized enterprises

EXAMPLE customer, regulator

# 4 Requirements

## 4.1 General

For MSMEs to be effective, an atmosphere shall be created that provides focus and positive behaviour. A useful approach is to have:

a) defined improvement goals and objectives; and

b) a framework for implementation.

## 4.2 Policy and objectives

### 4.2.1 General

**4.2.1.1** MSMEs shall define and document the quality, occupational health and safety and environment policy and objectives which give a clear indication of its focus and direction, and clearly outline how these will be achieved.

**4.2.1.2** The MSME shall:

a) identify the processes needed for the quality management system and their application throughout the organisation;

b) determine criteria and methods needed to ensure that both the operation and control of these processes are effective;

c) ensure the availability of resources and information necessary to support the operation and monitoring of these processes;

d) monitor, measure and analyse these processes; and

e) implement actions necessary to achieve planned results and continual improvement of these processes.

#### 4.2.2 Policy

The MSMEs shall ensure that the policy:

a) clearly outlines the intent of the enterprise;

b) shows a commitment to comply with relevant quality, environmental and occupational, safety and health requirements;

c) provides a framework for establishing and reviewing policy objectives and the effectiveness of the management system;

d) is communicated and understood within the enterprise;

e) is reviewed for continuing suitability; and

f) is available to relevant external interested parties (see Annex A).

#### 4.2.3 Objectives

The MSME shall ensure the policy objectives are established at relevant functions and levels within the enterprise. These objectives shall be measurable and consistent with the policy.

### 4.3 Planning and process control

#### 4.3.1 General

**4.3.1.1** MSMEs shall establish and maintain a plan for meeting the requirements for quality, environmental and occupational safety and health, for products and services that it controls and over which it can be expected to have an influence.

**4.3.1.2** MSMEs shall identify the requirements of the customer or product specification and any regulation related to environmental and occupational safety and health that is applicable to the product it produces or its manufacturing process (see Annex B).

**4.3.1.3** The different processes and or activities of the MSME shall be identified. Each process shall be analysed to determine inputs and outputs.

**4.3.1.4** MSMEs shall review at planned intervals the policy and objectives and keep information updated.

#### 4.3.2 Work environment

**4.3.2.1** The MSME shall determine and manage the work environment needed to achieve conformity to product requirements.

**4.3.2.2** The MSME shall conform to national Occupational, Safety and Heath Requirements.

#### 4.3.3 Environmental management

MSMEs shall establish and maintain a documented environmental programme which adheres to national legislation for Environmental Protection in the areas of:

a) air quality;

b) water quality;

c) noise management;

d) hazardous waste management; and

e) authorisations.

## 4.4 Implementation

### 4.4.1 Structure and responsibilities

MSMEs shall define and document roles, responsibilities and authorities to ensure the effectiveness of their management system and shall communicate the same to all staff.

### 4.4.2 Documentation

Documentation shall include:

a) statements of the policy and objectives; and

b) procedures needed to ensure effective planning, operation and control of processes.

#### 4.4.2.1 Control of documents

Documents required by the management system shall be controlled. A procedure shall be established and documented to define the controls needed to:

a) approve documents for adequacy prior to issue;

b) review, update and re-approve documents as necessary;

c) ensure changes and the current revision status of documents are identified;

d) ensure that documents are legible, readily identifiable and retrievable;

e) ensure that the relevant versions of applicable documents are available at point of use;

f) ensure that external documents are identified and their distribution controlled; and

g) prevent the unintended use of obsolete documents and to apply suitable identification to them if they are retained for any other purpose (see Annex C).

#### 4.4.2.2 Control of records

**4.4.2.2.1** Records shall be established and maintained to provide evidence of conformity to the requirements identified and of the effective operation of the management system.

**4.4.2.2.2** Records shall be legible, readily identifiable, retrievable, and their integrity (physical and other) preserved.

**4.4.2.2.3** A documented procedure shall be established to define the controls needed for the identification, storage, protection, retrieval, retention time and disposition of records.

#### 4.4.3 Competence, awareness and training

The MSME shall:

a) determine the necessary competence by the use of a training matrix (see Annex D) for all personnel performing work that can impact on the ability of the small and medium sized enterprise to achieve its objectives;

b) provide training or take other actions to satisfy identified needs;

c) evaluate the effectiveness of the actions to satisfy identified needs;

d) ensure that personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of objectives; and

e) maintain appropriate records of education, training, skills and experience.

### 4.5 Measurement, analysis and improvement

#### 4.5.1 General

MSMEs shall plan and implement the monitoring, measurement, analysis and improvement processes needed to:

a) demonstrate conformity to applicable requirements established;

b) ensure conformity of their management system to this standard; and

c) continually improve the effectiveness of their management system.

#### 4.5.2 Customer satisfaction

MSMEs shall monitor information related to customer perception as to whether the specified requirements are met. The methods for obtaining and using this information shall be documented.

#### 4.5.3 Internal audits

MSMEs shall conduct internal audits at planned intervals to determine:

a) conformance to the requirements of this standard and to the management system established; and

b) whether the management system is effectively implemented and maintained.

#### 4.5.4 Control of non-conforming products

**4.5.4.1** MSMEs shall ensure products and processes which do not conform to the requirements of this standard are identified and controlled to prevent unintended use or delivery.

**4.5.4.2** The controls, related responsibilities and procedure(s) for dealing with non-conforming products and processes shall be defined and documented.

#### 4.5.5 Corrective actions

**4.5.5.1** The enterprise shall take action to eliminate the cause of non-conformities in order to prevent recurrence.

**4.5.5.2** Corrective actions shall be appropriate to the effects of the non-conformities encountered.

**4.5.5.3** A documented procedure shall be established to define requirements for:

a) reviewing non-conformities (including customer complaints);

b) determining the causes of non-conformities;

c) evaluating the need for action to ensure that non-conformities do not recur;

d) determining and implementing action needed;

e) records of the results of action taken; and

f) reviewing corrective action taken.

#### 4.5.6 Preventive action

**4.5.6.1** The enterprise shall determine action necessary to eliminate the causes of potential non-conformities in order to prevent their occurrence.

**4.5.6.2** Preventive actions shall be appropriate to the effects of the potential problems.

**4.5.6.3** A documented procedure shall be established to define requirements for:

a) determining potential non-conformities and their causes;

b) evaluating the need for action to prevent occurrence and non-conformities;

c) determining the implementing action needed;

d) recording results of action taken; and

e) reviewing preventive action taken.

### 4.6 Management review

#### 4.6.1 General

MSMEs shall, at planned intervals as determined by top management, review management systems to ensure suitability, adequacy and effectiveness.

#### 4.6.2 Review input

The management review shall include information on:

a) results of audits;

b) customer feedback;

c) process performance and product conformity;

d) status of preventive and corrective reviews;

e) changes that could affect the quality management system; and

f) recommendations for improvement.

#### 4.6.3 Review output

The output from the management review shall include any decisions and actions related to:

a) improvement of the effectiveness of the quality management system and its processes;

b) improvement of product related to customer requirements; and

c) resource needs.

### 4.7 Continual improvement

The enterprise shall continually improve the effectiveness of the management system through the use of the policy, objectives, audit results, analysis of data, corrective and preventive actions and management review.

# Annex A
(informative)

# Example of a policy

## A.1 General outline

ABC Enterprise Ltd accepts responsibility for the complete satisfaction of our customers. We exercise this responsibility by:

a) identifying customer needs and regulatory expectations, and satisfying them on time, every time;

b) developing and implementing controlled processes;

c) continual improvements in our operational responsiveness;

d) complying with the requirements of the management system required by guidelines for good management practices, as well as continually improving its effectiveness;

e) establishing and communicating meaningful and measurable objectives and performance targets to all staff;

f) complying with current environmental and occupational safety and health legislations;

g) developing employees skills and increasing their contributions through effective training;

h) developing supplier relationships to obtain defect free materials on time, every time; and

i) being committed to providing quality, choice and value for money to all our customers.

_____ _____

**General Manager's / CEO Signature** **Date**

# Annex B
(informative)

# Acts and regulations

## B.1 Applicable legislation

Below is a sample list of Acts and Regulations that may be applicable to MSMEs:

a) Consumers Act;

b) Labour Act;

c) Food and Drug Act;

d) Public Health Act;

e) Accidental Death and Personal Injuries Act;

f) Weights and Measures Act;

g) Environmental Protection Act;

h) Environmental Protection Regulations:

   1) Air quality;

   2) Water quality;

   3) Noise management;

   4) Hazardous waste management; and

   5) Authorisation; and

i) Occupational Safety and Health Act.

j) Sale of Goods Act

**B.1.1** These Acts and their adjoining Regulations should be considered when and where applicable.

NOTE The titles of Acts and Regulations are expected to vary in different CARICOM Member States.

# Annex C
(informative)

# Example of a procedure

## C.1 Documented procedures (based on ISO/TR 10013:2001)

### C.1.1 Structure and format

**C.1.1.1** The structure and format of the documented procedures (hard copy or electronic media) should be defined by the organization in the following ways: test, flow charts, tables, a combination of the above, or any other suitable method in accordance with the needs of the organization. The documented procedures should contain the necessary information (see 4.5.2) and should contain a unique identification.

**C.1.1.2** Documented procedures may make reference to work instructions that define how an activity is performed. Documented procedures generally describe activities that cross different, while work instructions generally apply to tasks within one function.

### C.1.2 Contents

#### C.1.2.1 Title

The title should clearly identify the documented procedure.

#### C.1.2.2 Purpose

The purpose of the documented procedure should be defined.

#### C.1.2.3 Scope

The scope of the documented procedure, including the areas to be covered and areas not to be covered, should be described.

#### C.1.2.4 Responsibility and authority

The responsibility and authority of people and/or organizational functions, as well as their interrelations associated with the processes and activities described in the procedure, should be identified. These maybe described in the procedure in the form of flow charts and descriptive text as appropriate for clarity.

#### C.1.2.5 Description of activities

The level of detail may vary depending on the complexity of the activities, the methods used, and the levels of skills and training of people that is necessary in order for them to accomplish the activities. Irrespective of the level of detail, the following aspects should be considered as applicable:

a) defining the needs of the organization, its customers and suppliers;

b) describing the processes in terms of text and or/flow charts related to the required activities;

c) establishing what is to be done, by whom or by which organizational function; why, when, where and how;

d) describing process controls and controls of the identified activities;

e) defining the necessary resources of the accomplishment of the activities (in terms of personnel, training, equipment and materials);

f) defining the appropriate documentation related to the required activities;

g) defining the input and output of the process; and

h) defining the measurements to be taken.

NOTE The organization may decide that some of the above information is more appropriate in a work instruction.

#### C.1.2.6 Records

The records related to the activities in the documented procedure should be defined in this section of the documented procedure or in other related section(s). The forms to be used for these records should be identified as applicable. The method required to complete, file and keep the records should be stated.

#### C.1.2.7 Appendices

Appendices containing information supportive to the documented procedure may be included, such as tables, graphs, flow charts and forms.

### C.1.3 Review, approval and revision

Evidence of review and approval, status and date of revision of the documented procedure should be indicated.

### C.1.4 Identification of changes

Where practicable, the nature of the change should be identified either in the document or the appropriate attachments.

# Annex D
(informative)

# Training matrix sample

**D.1** The training matrix provides a means of guiding management on what type of training is needed for each functional position within the enterprise for the effective operation of the business, as well as which training has been completed.

**Table D.1 — Training needs for year (-----)**

| Designation | Basic accounting | Occupational safety and health | Computer operations | Production planning (quality realization) |
|---|---|---|---|---|
| Sales clerk | √ | √ | √ | √ |
| Office manager | √ | √ | √ | √ |
| Production Supervisor | √ | √ | √ | √ |
| Office assistant | √ | √ | √ | √ |

**End of document**

**CARICOM REGIONAL ORGANISATION FOR STANDARDS AND QUALITY**

The CARICOM Regional Organisation for Standards and Quality (CROSQ) was created as an Inter-Governmental Organisation by the signing of an agreement among fourteen Member States of the Caribbean Community (CARICOM). CROSQ is the regional centre for promoting efficiency and competitive production in goods and services, through the process of standardization and the verification of quality. It is the successor to the Caribbean Common Market Standards Council (CCMSC), and supports the CARICOM mandate in the expansion of intra-regional and extra-regional trade in goods and services.

CROSQ is mandated to represent the interest of the region in international and hemispheric standards work, to promote the harmonization of metrology systems and standards, and to increase the pace of development of regional standards for the sustainable production of goods and services in the CARICOM Single Market and Economy (CSME), and the enhancement of social and economic development.

**CROSQ VISION:**

The premier CARICOM organisation for the development and promotion of an Internationally Recognised Regional Quality Infrastructure; and for international and regional harmonized CARICOM Metrology, Standards, Inspection, Testing and Quality Infrastructure

**CROSQ MISSION:**

The promotion and development of standards and standards related activities to facilitate international competitiveness and the sustainable production of goods and services within the CARICOM Single Market and Economy (CSME) for the enhancement of social and economic development

**© CROSQ 2010 – All rights reserved**

ISBN 978-976-95187-6-6
ICS 03.120.10